

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1009	Date: JULY 28, 2006
	Change Request 5220

SUBJECT: Correction to Skilled Nursing Facility (SNF) Consolidated Billing (CB) Enforcement if SNF Inpatient Claims are Partially Non-Covered

I. SUMMARY OF CHANGES: This instruction requires the CWF to bypass SNF 22x bill types, submitted with therapy services included in SNF CB for non-covered stays, to bypass the SNF CB therapy edit when the dates of service fall within non-covered periods reported on SNF inpatient bill types.

NEW / REVISED MATERIAL

EFFECTIVE DATE: October 1, 2005

IMPLEMENTATION DATE: January 2, 2007

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	Chapter / Section / Subsection / Title
R	6/20.5/Therapy Services

III. FUNDING:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budget.

IV. ATTACHMENTS:

**Business Requirements
Manual Instruction**

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

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SUBJECT: Correction to Skilled Nursing Facility (SNF) Consolidated Billing (CB) Enforcement if SNF Inpatient Claims are Partially Non-Covered

I. GENERAL INFORMATION

A. Background: When no Part A program payment is possible, for reasons such as the beneficiary’s benefits have exhausted or the inpatient SNF stay is partially non-covered, some or all services provided in these non-covered periods may be medically necessary and may be covered as ancillary services under Part B.

Under the SNF CB provision, therapy services are subject to SNF CB during non-covered SNF stays and are only billable on a 22x (SNF inpatient part B) bill type. Currently, 22x bill types that contain therapy services subject to SNF CB are being rejected for SNF CB when they fall within partially non-covered periods identified on inpatient SNF bill types (i.e. 21x bill types).

This instruction requires the CWF to bypass line item dates of service reported on 22x bill types from the SNF CB therapy edit when the dates of service fall within reported non-covered periods on overlapping SNF 21x bill types.

B. Policy: Section 1888 of the Social Security Act requires SNF CB.

II. BUSINESS REQUIREMENTS

“Shall” denotes a mandatory requirement

“Should” denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
5220.1	Medicare systems shall bypass line item dates of service reported on 22x bill types from the SNF CB therapy edit when the dates of service fall within reported non-covered periods on overlapping SNF 21x bill types.								X	

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
	billing and administering the Medicare program correctly.								

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
5220.1	CWF shall bypass edit 7251 for line items dates of service reported on 22x bill types that contain therapies subject to SNF CB when the service dates fall within non-covered periods on 21x bill types identified by occurrence span codes 74, 76 or 77, 79 and/or M1.
5220.2	CWF shall bypass edit 7251 for line item dates of service reported on 22x bill types that are greater than the occurrence code A3, B3, C3 or 22 reported on the 21x SNF inpatient claim.

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: October 1, 2005</p> <p>Implementation Date: January 2, 2007</p> <p>Pre-Implementation Contact(s): Jason Kerr (410) 786-2123 or Jason.Kerr@cms.hhs.gov or Yvonne Young (410) 786-1886 or Yvonne.Young@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Regional Office</p>	<p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.</p>
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20.5 – Therapy Services

(Rev. 1009, Issued: 07-28-06, Effective: 10-01-05, Implementation: 01-02-07)

Therapy services are edited as inclusions, rather than exclusions, to consolidated billing. Physical therapy, speech language pathology services and occupational therapy are subject to the SNF Part B consolidated billing requirement and must be billed by the SNF alone for its Part B residents on a 22x type of bill. SNF residents that fall below a Medicare skilled level of care may be moved out of the SNF or certified distinct part unit (DPU) to the Medicare non-certified area of the facility. In doing so, the beneficiary is no longer subject to the SNF consolidated billing rule and therapy services may be billed directly to Medicare by the provider rendering the service or if billed by the SNF should be submitted on a 23x type of bill. If the entire facility qualifies as a Medicare-certified SNF, all Part B therapies must continue to be billed by the SNF on a 22x type of bill. *The CWF SNF CB therapy edit will be bypassed for 22x bill types that contain therapy services when those line item dates of service fall within a non-covered period reported on an inpatient 21x bill type.* For additional instructions, see Chapter 7, SNF Part B Billing, §10.1. In transmittals for FI billing providing the annual update list of HCPCS codes affected by SNF consolidated billing, such services are referred to as “Major Category V” of SNF consolidated billing. See §10.1 above for the link to where transmittals providing current lists of HCPCS codes used for Major Category V can be found.